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Agenda Item 3

October 17, 2011

TO: MEMBERS OF THE INVESTMENT POLICY SUBCOMMITTEE

- I. **SUBJECT:** Revision of Internally Managed Global Enhanced Equity Strategies Policy
- II. **PROGRAM:** Global Equity
- III. **RECOMMENDATION:** Recommend to the Investment Committee approval of the revised Internally Managed Global Enhanced Equity Strategies Policy

IV. ANALYSIS:

On August 15, 2011, the Investment Committee approved the graduation of the Internal Fan Long Only Strategy from the Global Equity Developmental Program into the existing line up of the Global Equity funds with a current proposed maximum capital allocation of 1%, to complement the existing risk/return profile of the Total Global Equity Portfolio. Staff recommends approval of the revisions to the Internally Managed Global Enhanced Equity Strategies Policy that specifies the investment approach for the Internal Fan Long Only portfolio.

List of Attachments

- Attachment 1 - Wilshire Associates Opinion Letter
- Attachment 2 – Revised Internally Managed Global Enhanced Equity Strategies Policy and Glossary

V. RISK:

Risk if the recommendation is not approved is the potential lost opportunity of investment returns.

VI. STRATEGIC PLAN:

This item supports Goal VIII to manage risks and volatility of assets and liabilities to ensure sufficient funds are available, first to pay benefits and, second to minimize and stabilize contributions.

VII. RESULTS/COSTS:

There are no costs associated with this item.

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